premises of two. companies of Modern Group-Modern Terry Towels and Modern Denim to investigate the excise duty evasion; and

(b) if so, the outcome thereof and the action proposed to be taken against these companies?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Yes, Sir. The Directorate General of Anti-Evasion has recently conducted searches at the premises of M/s. Modern Terry Towels Ltd. and M/s. Modern Denim to investigate excise duty evasion.

(b) Appropriate action would be taken under the provisions of Central Excise Act, 1944 and rules made thereunder after the investigations are completed and duty evasion, if any, is established.

impact of Fall in Purchasing Power of Rupee on Comman Man

1886. DR. B.B. DUTTA: Will the Minister of FINANCE be pleased to state;

(a) the rate of fall in the purchasing power of the rupee during 1960-70, 1970-80, 1980-90, 1990-95 and 1995-96 on the basis of 1960=100;

(b) the reasons for a sharp fall in the purchasing power of the rupee;

(c) what has been the impact of this fall on different classes of workers; and

(d) details of steps taken to safeguard the Common man?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) The value of rupee as measured in terms of Consumer Price Index for Industrial Workers (CPI-IW) with base 1960 declined from 100 paise in 1960 to 54.26 paise in 1970, 25.64 paise in 1980, 10.89 paise in 1990, 6.64 paise in 1995 and 5.90 paise as on September, 1996.

(b) The Movement in prices, changes in income levels together with spending habits of consumers are the main reasons for the decline in the purchasing power of rupee.

(c) Movement in price indices of various consumer categories such as industrial workers, urban on-manual employees and agricultural and rural labourers, indicate varying impact of the price movement. For example, the annual inflation rate in October, 1995 for industrial workers was 10.4%, it was 9.6% for urban non-manual employees and, 11.6%' for Agricultural labourers.

(d) Government has taken special efforts to contain prices of key essential commodities. The Public Distribution System and Revamped Public Distribution System (PDS/RPDS) have been strengthened. Issue Prices of rice, wheat 'and sugar have not been raised since February, 1994. Government is continuing OGL import policy for selected essential commodities such as sugar, edible oils, pulses and low fat milk power at nil or reduced duty and import of edible oils on Government account for supply through PDS.

Legislation for Privatisation of Insurance Industry

1887. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to bring forward any legislation during the Winter Session of Parliament for privatisation of the insurance sector as reported in the Hindustan Times dated 19th November, 1996;

(b) whether Government are also aware that employees in insurance sector have announced a long term agitation programme in protest against the proposed legislation; and

(c) if so, the reaction of the Central Government thereto?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c)